In the Supreme Court of the United States

OCTOBER TERM, 1978

No. 78-1732

H. RAY BAKER, INC. and INTERQUIP CORPORATION,
Petitioners,

vs.

ASSOCIATED BANKING CORPORATION,
Respondent.

Brief in Opposition

To Petition for a Writ of Certiorari to the
United States Court of Appeals
for the Ninth Circuit

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Respondent Associated Banking Corporation (hereinafter "ABC") urges that the petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit in this case be denied.

REFERENCES TO OPINIONS BELOW, TO JURISDICTION, AND TO STATUTORY PROVISIONS

ABC adopts the references to opinions below, to the jurisdiction of this Court, and to the relevant statutory provisions set forth in the petition for certiorari.

QUESTION PRESENTED

To facilitate commercial transactions by means of letters of credit and by means of mail or telegraphic transfers of funds from one place to another, banks enter into "correspondent relations" with one another. Typically, a bank in one community maintains a non-interest bearing account with a correspondent in another. Then, when the bank has occasion to pay money to a person located in the community of its correspondent, the bank instructs the correspondent, by letter, wire, or pursuant to the terms of a letter of credit, to pay out of the bank's account with the correspondent. Such correspondent banking relations, established by custom rather than by written agreement, are a vital part of the orderly and timely transfer of money from one place to another in intrastate, interstate, and foreign commerce.

The question presented by this case is:

Whether a Philippine banking corporation, whose only contact with the State of California is the maintenance of correspondent banking relations with six California banks, is subject to the jurisdiction of the courts of the State of California on a cause of action arising out of the alleged dishonor of a letter of credit issued by it when:

(1) The Philippine banking corporation's contacts with California are few and insubstantial;

(2) The letter of credit was issued in the Philippines pursuant to negotiations conducted entirely in the Philippines;

(3) The letter of credit was advised by a New York trust company and was for the benefit of a corporation whose address is in the State of Ohio;

(4) The Philippine banking corporation conducted no activity within the State of California relating to the letter of credit; and

(5) The Philippine banking corporation had no knowledge that the beneficiary of the letter of credit had any offices or conducted any business in the State of California and could not have foreseen that the beneficiary would attempt to negotiate drafts against the letter of credit through a California bank.

STATEMENT OF THE CASE

During 1971, Plaintiff Interquip Corporation, an Ohio corporation, conducted negotiations in California with Dura-Tire and Rubber Industries, Inc., a Philippine corporation ("Dura-Tire"), for the sale of equipment and machinery to Dura-Tire in the Philippines. Pursuant to negotiations between Dura-Tire and ABC, conducted in the Philippines, Dura-Tire caused ABC to issue an irrevocable letter of credit in favor of H. Ray Baker, Inc. of Monroe Falls, Ohio, for payment for the equipment and machinery. The letter of credit was advised through Manufacturers Hanover Trust Company of New York, and provided that payments under the letter of credit would be reimbursed by drawing at sight on Manufacturers Hanover Trust Company, New York.

The letter of credit originally called for a single shipment and payment in five installments, but was amended to permit partial shipment. The goods were shipped and the first installment was paid by Manufacturers Hanover Trust Company. Plaintiff H. Ray Baker, Inc. then assigned the proceeds of the letter of credit to Interquip Corporation. Interquip Corporation presented the letter of credit for payment at Security Pacific National Bank, a California bank, but when Security Pacific sought payment from either Manufacturers Hanover Trust Company in New York or

ABC in the Philippines, the letter was allegedly dishonored. Thereafter, suit was instituted by the Plaintiffs.

Respondent ABC is a banking corporation duly organized and existing under Philippine law with offices in the Philippines. ABC is not licensed to do business in California. It maintains no offices in California, and it has no employees, agents, or telephone listings there. As is customary among international banks, ABC maintains correspondent relationships with several banks in the United States, including, but not limited to, six banks located in San Francisco, California: Bank of America, Bank of California, Crocker National Bank, United California Bank, Citibank International—San Francisco (formerly First National City Bank—San Francisco), and First Chicago International Bank.

The correspondent relationships are based on custom rather than on any writing. ABC does have a written agreement with Bank of America extending a $400,000 line of credit, but such agreement is with the Manila, Philippines, branch of Bank of America and does not define ABC's relations with Bank of America in California. All transactions between ABC and its California correspondent banks are effected by mail, telegraph, or telex, and no employees of ABC have visited California in connection with the arrangements between ABC and its correspondent banks. Except for the mail or telegraphic transfer of funds and the issuance of letters of credit, ABC has conducted no other business transaction with its California correspondent banks. Except for the correspondent banks in California, no person in California ever deals or has ever dealt directly with ABC with regard to any of its California-related transactions. ABC's contacts with California through its correspondent banks are not extensive, and certainly do not constitute a "substantial banking business."

Subsequent to the alleged dishonor of Plaintiffs' letter of credit, this action was filed on January 13, 1976, in the United States District Court for the Northern District of California. Jurisdiction was asserted under 28 U.S.C. § 1332 on the basis of diversity and an amount in controversy exceeding $10,000.

ABC moved to dismiss the action on the grounds that the District Court did not have jurisdiction over the person of ABC and that venue was improperly laid in the Northern District of California. Confronted with a suit in California concerning a letter of credit which was issued by a Philippine bank as a result of negotiations conducted in the Philippines, which was advised through a New York trust company, which was issued for the benefit of an Ohio corporation whose address was specified as Ohio, and which specified that drafts drawn under it were to be reimbursed by the New York trust company, the District Court for the Northern District of California, by the Honorable Albert C. Wollenberg, properly dismissed the action for lack of personal jurisdiction over ABC.[1]

Specifically, the District Court found that (1) the evidence presented to the Court was insufficient to justify the exercise of general jurisdiction over ABC; (2) the mere maintenance of correspondent banking relations with California banks was insufficient to justify the assertion of general jurisdiction over ABC; (3) the activities of ABC in California bore no relationship to the cause of action, and therefore there was no justification for the assertion of limited jurisdiction over ABC; and (4) even if general

1. The Order of the District Court is reprinted in full as Appendix B to the Petition.

or limited jurisdiction could be asserted over ABC, it would be unfair and unreasonable to assert jurisdiction on this cause of action.

The United States Court of Appeals for the Ninth Circuit, by the Honorable Thomas Tang, affirmed the Order of the District Court on March 5, 1979. 592 F.2d 550 (9th Cir. 1979). Specifically, the Court of Appeals found that (1) the activities of ABC in California were neither substantial nor systematic, and therefore general jurisdiction over ABC did not exist; and (2) there was otherwise an insufficient relationship between ABC, the forum, and the litigation to confer jurisdiction on the Court over ABC in this case. Although the Court found that ABC did invoke the protection of the laws of the State of California with respect to its bank accounts, such protection as ABC had sought was not related to the cause of action. Furthermore, the Court found no reasonable expectation on the part of ABC that its acts would cause any effect in California such as would make it fair or reasonable to require ABC to defend this suit in California.

WHY THE WRIT SHOULD BE DENIED

From an analysis of the petition, it appears Plaintiffs seek the review of the lower court decisions on three grounds: (1) that the decisions of the District Court and Court of Appeals below were wrong because the lower courts made errors in finding the facts; (2) that the question presented is an important question which needs to be considered by this Court; and (3) that the decisions below are in conflict with the prior decisions of this Court and the California Supreme Court. ABC respectfully submits that Plaintiffs' claims are without merit and that the review of this case by this Court is not warranted.

1. Plaintiffs Seek a Writ of Certiorari Primarily to Review the Findings of Fact Below.

When a case is in the federal district court solely because of diversity of citizenship, the question of jurisdiction over the person of the defendant should be resolved, under the doctrine of *Erie R.R. v. Tompkins,* 304 U.S. 64 (1938), according to the law of the state in which the federal court sits. *Arrowsmith v. United Press International,* 320 F.2d 219, 223 (2d Cir. 1963); 4 C. Wright & A. Miller, *Federal Practice and Procedure,* § 1075 at 301-16 (1969). The jurisdiction of the courts of California is set forth in Section 410.10 of the California Code of Civil Procedure, which provides for personal jurisdiction to the full extent of the Due Process Clause of the Fourteenth Amendment to the Constitution of the United States. *Cornelison v. Chaney,* 16 Cal.3d 143, 147, 545 P.2d 264, 266, 127 Cal.Rptr. 352, 354 (1976).

The federal constitutional limits on jurisdiction have been set out by this Court in a line of cases beginning with *International Shoe Co. v. Washington,* 326 U.S. 310 (1945):

> [D]ue process requires only that in order to subject a defendant to a judgment *in personam,* if he be not present within the territory of the forum, he have certain minimum contacts with it such that the maintenance of the suit does not offend "traditional notions of fair play and substantial justice."

326 U.S. at 316.

In all cases, the test of jurisdiction is one of *reasonableness*: whether it is reasonable to require *this* defendant to defend *this* action in *this* forum. *Kulko v. Superior Court,* 436 U.S. 84, 92 (1978); *Shaffer v. Heitner,* 433 U.S. 186, 203 (1977); *International Shoe Co. v. Washington,* 326 U.S. at 317. There must exist a sufficient connection between

the defendant and the forum state as to make it fair to require defense of the action in the forum. *Kulko v. Superior Court*, 436 U.S. at 92.

Plaintiffs assert that ABC is engaged in an "extensive" and "continuous banking business" within the State of California. Such assertions are in clear conflict with the findings of the District Court, Order of District Court, *reprinted in* Appendix B to the Petition, at B-4, as confirmed by the Court of Appeals, 592 F.2d at 552. Since both courts below reviewed the affidavits of the parties and the depositions taken by Plaintiffs before reaching their decisions, great weight should be given their findings; yet Plaintiffs assert the facts are not as found below. Thus, Plaintiffs ask this Court to review the evidence one more time.

A petition for a writ of certiorari is not generally an appropriate way to question findings of fact. As this Court stated in *Graver Tank & Manufacturing Co. v. Linde Air Products Co.*, 336 U.S. 271 (1949):

> A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error.

336 U.S. at 275; *accord, United States v. Johnston*, 268 U.S. 220, 227 (1925). Plaintiffs have made no showing whatsoever of error in the findings of fact. Thus, to the extent Plaintiffs seek a review of the facts by this Court, the petition for a writ of certiorari is inappropriate.

2. This Case Presents No Important Question of Law That This Court Need Resolve.

Plaintiffs next suggest that this lawsuit presents the Court with the opportunity to resolve the issue posed in

footnote 37 of *Shaffer v. Heitner*, 433 U.S. at 211, namely, whether the mere presence of property in a state is sufficient basis for jurisdiction when no other forum is available. Clearly, however, this case does not pose the issue of footnote 37 at all, for Plaintiffs have not demonstrated that California is the only forum available to them. Although Plaintiffs discuss at length why they believe the courts of New York are not available to them, Plaintiffs have never—in the District Court, in the Court of Appeals, or in their petition to this Court—attempted to prove that they are barred from access to either the courts of Ohio (the place of Plaintiffs' incorporation and the place to which the letter of credit was sent) or the courts of the Philippines. Thus, it appears Plaintiffs are invoking the jurisdiction of the California courts not because they cannot find another forum, but because they do not *want* to find another forum.

Indeed, Plaintiffs have been, or should have been, aware all along that they might have to resolve any claims arising under this letter of credit in the Philippines. As companies engage in foreign commerce, it is reasonable to expect that occasionally disputes must be settled before the tribunals of foreign nations. Letters of credit have been a part of international commerce for decades, and beneficiaries who accept them recognize that they may have to go to the domicile of the issuer if they have a claim arising under the letter of credit. If the beneficiary of a letter of credit is unwilling to take his disputes before a foreign tribunal, common business practice is to obtain a letter of credit *confirmed* by a local bank subject to the jurisdiction of the courts the beneficiary chooses. *See*, H. Harfield, *Bank Credits and Acceptances*, 37-8 (5th ed. 1974). Plaintiffs in this case did not obtain a confirmed letter of credit, but rather accepted an unconfirmed letter.

Furthermore, it appears that what the Plaintiffs really seek is a ruling that the maintenance by a foreign bank of bank accounts in California as part of a correspondent banking relationship is sufficient in and of itself to permit the exercise of jurisdiction over such foreign bank. Correspondent banking relations are a part of business life in the domestic and international commercial world. Without such relationships, customers would be unable to obtain letters of credit necessary to finance the purchase and sale of goods in intrastate, interstate, and foreign commerce. Were this Court to hold that every bank that maintains correspondent banking relationships with California banks is subject to the general jurisdiction of the California courts, then banks such as ABC, whether they do a large or a small amount of business with California correspondents, would risk having to come to California to defend actions no matter where such actions arose. Faced with the prospect of general jurisdiction, foreign banks might well decide it is better not to have correspondents in California at all. Such a decision could make it difficult for California businesses to finance their international transactions through California banks, greatly inhibiting international commerce.[2]

Nevertheless, Plaintiffs assert that California courts have jurisdiction over ABC (1) because Plaintiffs are qualified to do business in California and have offices there, and (2) because Plaintiffs have a Due Process right to a United States forum. Neither ground is supportable.

First, while the interests of the forum state and of the plaintiff in proceeding with the cause in the plaintiff's forum

2. *Cf. Marquette Natl. Bank v. First of Omaha Serv. Corp.*, — U.S. —, 99 S.Ct. 540, 547 (1978), in which this Court discussed the dangers to the interstate banking system of a holding that banks were "located," within the meaning of 12 U.S.C. § 85, wherever credit card transactions occurred.

of choice are of course to be considered, as this Court noted in *McGee v. International Life Insurance Co.*, 355 U.S. 220, 223 (1957), there must exist the minimum contacts to justify jurisdiction. As this Court clearly stated in *Hanson v. Denckla*, 357 U.S. 235, 251 (1958), and reaffirmed in *Kulko v. Superior Court*, 436 U.S. at 101, the flexible standard of *International Shoe* does not herald the eventual demise of all restrictions on the personal jurisdiction of state courts. However minimal the burden of defending in a foreign tribunal, a defendant may not be called upon to do so unless he has had the minimum contacts with that state that are prerequisite to its exercise of adjudicatory power over him.

Second, Plaintiffs have not cited, nor is ABC aware of, any case that holds that U.S. citizens have a Due Process right to a United States forum for all disputes. Indeed, since a court cannot render a valid judgment against a defendant unless it has jurisdiction over the person of the defendant, *Kulko v. Superior Court*, 436 U.S. at 91, the existence of such a Due Process right would run contrary to the admonitions of this Court in *Hanson v. Denckla* and *Kulko v. Superior Court* discussed above. The broad exercise of jurisdiction suggested by Plaintiffs would clearly be unreasonable and would be a subversion of the traditional notions of fair play and substantial justice. As this Court noted in *Shaffer v. Heitner*, the cost of simplifying litigation by avoiding the jurisdictional question in favor of a plaintiff is too high. 433 U.S. at 211.

3. The Decision of the Ninth Circuit That ABC Is Not Subject to the General or Limited Jurisdiction of the California Courts Is Entirely Consistent with Prior Decisions of This Court and of the Supreme Court of California.

Plaintiffs allege conflicts among the decisions of the courts below and the decisions of this Court and the California

Supreme Court. The "conflicts" alleged by Plaintiffs are no more than assertions that the lower courts reached a wrong decision. On review of the law and facts as found, however, the decisions below are clearly consistent with applicable prior decisions.

In the years since *International Shoe,* two types of jurisdiction over nonresident defendants have evolved. The first is commonly referred to as "general jurisdiction," pursuant to which a court may constitutionally assert jurisdiction over a nonresident defendant for all causes of action asserted against him, even if the cause of action is unrelated to the forum. The second is "limited jurisdiction" which may exist in the absence of general jurisdiction when there is a sufficient nexus between the forum and the cause of action to make it reasonable and fair to assert jurisdiction.

a. General Jurisdiction.

This Court and the Supreme Court of California have determined that general jurisdiction may be asserted if the nonresident defendant engages in "substantial . . . continuous and systematic" activities, or in such "extensive or wide-ranging" activities as to be deemed "present" in the forum. *Perkins v. Benguet Consolidated Mining Co.,* 342 U.S. 437, 448 (1952); *Cornelison v. Chaney,* 16 Cal.3d at 147, 545 P.2d at 266, 127 Cal.Rptr. at 354.

The decisions of the courts below that California lacked general jurisdiction over ABC are entirely consistent with prior decisions of this Court and of the California Supreme Court. The facts as found by the District Court and the Court of Appeals clearly demonstrate that ABC's contacts with California are few and insubstantial. ABC is not qualified to do business in California, and has no offices, employees, agents or telephone listings in California. The

other activities of ABC in California were described by the District Court, after review of records submitted by Plaintiffs from two of the six California correspondent banks referred to above, as follows:

> The records from Crocker National Bank show that defendant has maintained an account there for some time, but the balance is not very large and many of the transactions are for extremely small amounts. The records from the Bank of California pertain primarily to the Citizens Bank and Trust Company, a Philippine bank which apparently did not merge with defendant until January of 1976. The letter from the Manila branch of the Bank of America extending a line of credit to defendant does not contain information relating to defendant's actual activities in California.

Order of the District Court, *reprinted in* Appendix B to the Petition, at B-4. The District Court noted that Plaintiffs neither carried out nor sought to carry out further discovery of the activities of ABC in California. *Id.,* n. 4.

In *Cornelison v. Chaney,* 16 Cal.3d 143, 545 P.2d 264, 127 Cal.Rptr. 352 (1976), the California Supreme Court considered the case of a Nebraska resident who drove a truck into California some twenty times a year, delivering and picking up goods in California on each trip. The Court found that twenty trips a year did not constitute sufficiently extensive or wide-ranging activities in California to warrant general jurisdiction, even though the defendant held a Public Utilities Commission license, maintained an independent contractor relationship with a local broker, and had been making trips into California for seven years.[3] 16 Cal.3d at 149, 545 P.2d at 267, 127 Cal.Rptr. at 355.

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3. The Court did, however, find the necessary minimum contacts for the assertion of limited jurisdiction over the defendant in the particular cause of action.

The facts of the instant case indicate considerably less activity in California than the activity of the defendant in *Cornelison v. Chaney*. Based on the facts presented, the courts below correctly concluded, in the words of the Court of Appeals, that "it is clear that, as ABC's contacts with California were neither substantial nor systematic, general jurisdiction over ABC is lacking." 592 F.2d at 552.

Plaintiffs attempt to discredit the lower courts' opinions by claiming that the lower courts relied upon this Court's opinion in *Bank of America v. Whitney Central National Bank*, 261 U.S. 171 (1923). In Plaintiffs' view, the case is no longer good law. But even the most careful reader will find no reference to such case in the opinion of the Court of Appeals below, and the disinterested reader will note that the case was cited in the District Court Order, together with other decisions of this Court and of the California Supreme Court, solely for the proposition that dealing through an independent non-exclusive agent in and of itself is an insufficient contact for the maintenance of jurisdiction. Nothing contained in *International Shoe* or other decisions of this Court is contrary to that holding, and whatever else Plaintiffs may think of *Bank of America v. Whitney Central National Bank*, this Court recently cited the case for an analogous proposition in *Marquette National Bank v. First of Omaha Service Corp.*, — U.S. —, 99 S. Ct. 540, 548 n. 25 (1978).[4]

b. Limited Jurisdiction.

If the nonresident defendant's contacts with the forum are insufficient to justify the assertion of general jurisdiction, this Court and the California Supreme Court have held that jurisdiction may nevertheless exist over a cause of action if there is a sufficient nexus between California and the cause of action to make it reasonable and fair to assert jurisdiction. As the relationship of the defendant with the state seeking to exercise jurisdiction over him grows more tenuous, the scope of jurisdiction also contracts, and fairness is assured by limiting the circumstances under which the plaintiff can compel a nonresident to appear and defend. *Cornelison v. Chaney*, 16 Cal.3d at 148, 545 P.2d at 266, 127 Cal.Rptr. at 354.

The standard is again one of reasonableness. *Kulko v. Superior Court*, 436 U.S. at 96; *International Shoe Co. v. Washington*, 326 U.S. at 317; *Buckeye Boiler Co. v. Superior Court*, 71 Cal.2d 893, 899, 458 P.2d 57, 62, 80 Cal.Rptr. 113, 118 (1969). The cause of action must arise out of or be connected with the defendant's forum-related activity. *Cornelison v. Chaney*, 16 Cal.3d at 148, 545 P.2d at 266, 127 Cal.Rptr. at 354. The unilateral acts of the plaintiff or others cannot satisfy the requirement of contact by the defendant with the forum. *Hanson v. Denckla*, 357 U.S. at 253. The mere causing of an effect in the state is not sufficient in and of itself to justify the exercise of jurisdiction, *Sibley v. Superior Court*, 16 Cal.3d 442, 446, 546 P.2d 322, 325, 128 Cal.Rptr. 34, 37 (1976), particularly if it was not reasonably foreseeable that an effect would in fact result from the nonresident defendant's actions. *Kulko v. Superior Court*, 436 U.S. at 97-8.

Again the decisions of the courts below are consistent with prior decisions of this Court and of the California Supreme Court. The Court of Appeals below specifically found that ABC's California correspondent banks were on no special footing with respect to the letter of credit which

4. Plaintiffs rely on *Natl. Auto Brokers Corp. v. General Motors Corp.*, 332 F. Supp. 280 (S.D.N.Y. 1971) to discredit *Bank of America v. Whitney Central National Bank*. Such reliance is clearly misplaced. *Natl. Auto Brokers Corp.* arose under the *venue* provisions of the Clayton Act, and did not consider the permissible limits of jurisdiction under the Due Process Clause.

is the subject of the Plaintiff's action. 592 F.2d at 553. California was neither the place of negotiation for the letter of credit, nor the place of issuance, nor the location of the advising bank, nor the place to which the letter of credit was sent by ABC, nor the place of payment. *Id.* at 551. Although the Plaintiffs claim to have presented drafts under the letter of credit for payment through a California bank, such drafts could be dishonored, as the Court of Appeals correctly noted, only at the place of payment, namely either New York City or the Philippines. *Id.* at 553. ABC's California correspondent banks were not authorized to charge the account of ABC in any such bank for any draft presented under the letter of credit. *Id.* Thus, the letter of credit underlying this case has no connection with the State of California.

Plaintiffs nevertheless claim that the letter of credit, and not just the underlying sale, is connected with the State of California because the Plaintiffs are qualified to do business in California and maintain offices there, and because the negotiations between Plaintiffs and Dura-Tire took place in California. Such actions are, of course, the unilateral actions of Plaintiffs and others and are insufficient to justify the exercise of jurisdiction over ABC. *Hanson v. Denckla,* 357 U.S. at 253. Further, as the District Court and Court of Appeals found, ABC had no knowledge that California would have any connection with the letter of credit. Order of District Court at B-2 to B-3, 592 F.2d at 553.

The recent California Supreme Court case of *Sibley v. Superior Court,* 16 Cal.3d 442, 546 P.2d 322, 128 Cal.Rptr. 34 (1976), is analogous to the instant case. In *Sibley,* the defendant was a resident of the State of Florida who had issued a guaranty for the benefit of a California corporation.

The defendant had no other contacts with the State of California except as a trustee of a testamentary trust owning property in California. Notwithstanding the fact that the defendant guarantor knew that the guaranty ran to the benefit of a California person and could reasonably have expected a breach of the guaranty to have an effect in California, the California Supreme Court found that it was unreasonable to subject the nonresident defendant to the jurisdiction of California courts. 16 Cal. 3d at 448, 546 P.2d at 326, 128 Cal.Rptr. at 38. Specifically, the Court found nothing in the guaranty which indicated the defendant would have any rights that he might seek to enforce in California. Thus, *as to the particular guaranty,* defendant had *not* invoked the benefits and protections of the laws of California. 16 Cal.3d at 447, 546 P.2d at 325, 128 Cal.Rptr. at 37. Clearly, the holding of the Court of Appeals below is entirely consistent with the result reached by the California Supreme Court in *Sibley.*

Plaintiffs suggest that this case should be controlled by *McGee v. International Life Insurance Co.,* 355 U.S. 220 (1957). However, *McGee* is readily distinguishable from the case at hand for the same reasons it was distinguished by this Court in *Hanson v. Denckla,* 357 U.S. at 251. First, unlike *McGee,* no act was done or transaction consummated by ABC in California. Second, this Court upheld jurisdiction in *McGee* specifically because the suit "was based on a contract which had substantial connection with" California. 355 U.S. at 223, whereas the contract in this case, the letter of credit, has no connection with California except for the unilateral acts of the Plaintiffs. Third, prior to the action in *McGee,* California had passed specific legislation manifesting an interest in protecting the rights of its citizens

such as Lulu McGee who purchased insurance policies from nonresident insurers. 355 U.S. at 224. Although the State of California generally regulates the banking business in California, it has not passed any legislation regulating correspondent relationships among international banks. Clearly Plaintiffs' reliance in *McGee* is misplaced.

CONCLUSION

The petition for writ of certiorari should be denied.

Respectfully submitted,

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June 14, 1979